

County of Roanoke, Virginia
Policy for County Capital Reserves

I. Background

The County of Roanoke recognizes one of the keys to sound financial management is the development of a systematic way to fund capital projects. In addition to the *Debt Policy*, the County believes it is important to set up a funding stream and guidelines to fund some capital projects, or portions of capital projects, on a pay-as-you-go basis. The National Advisory Council on State and Local Budgeting (NACSLB) has issued guidelines representing standards of excellence in governmental budgeting that include the preparation of policies and plans for capital asset acquisition, maintenance, and replacement (Principle 2; Element 5; Practice 5.2). This policy addresses this standard.

II. Purpose

This policy will establish guidelines to set aside reserves to fund County capital projects.

III. Policy Guidelines for Major County Capital Reserve

- A. The Board of Supervisors hereby establishes a Major County Capital Reserve for the purpose of accumulating funds to pay-as-you-go for County Capital projects identified in the County Capital Improvements Plan that is adopted by the Board of Supervisors
- B. Funds will be deposited into the Major County Capital Reserve from the following sources:
 - a. As specified in the *Policy for Use of General Fund Revenue in Excess of Budget at Year End*, the revenues in excess of budget will be allocated first to the General Fund Unappropriated Balance to the extent required, and next to the Major County Capital Reserve
 - b. Any additional funds that the Board of Supervisors appropriates to the Reserve
- C. Funds may be allocated from the Major County Capital Reserve for the following purposes:
 - a. Cash outlay for projects identified in the County Capital Improvements Plan adopted by the Board of Supervisors
 - b. Debt payments to expedite projects identified in the County Capital Improvements Plan adopted by the Board of Supervisors
 - c. Land purchase opportunities, even if they are not included in the County Capital Improvements Plan

IV. Policy Guidelines for Minor County Capital Reserve

- A. The Board of Supervisors hereby renames the County Capital Fund Unappropriated Balance as the Minor County Capital Reserve.
- B. Funds will be deposited into the Minor County Capital Reserve from the following sources:
 - a. As specified in the *Policy for Use of Unspent Expenditure Appropriations at Year End*, the unencumbered expenditure savings remaining after the departmental rollover will be allocated to the Minor County Capital Reserve

- b. As specified in the County Charter, the proceeds from the sale of land and fixed assets, unless specifically appropriated otherwise by the Board of Supervisors, will be deposited to the Minor County Capital Reserve
 - c. Any additional funds that the Board of Supervisors appropriates to the Reserve
- C. Funds may be allocated from the Minor County Capital Reserve for the following purposes:
 - a. Cash outlay for minor County capital projects. These are projects that are not normally in the County Capital Improvements Plan, and are usually less than \$500,000
 - b. Architectural and engineering services for all capital projects, whenever possible
 - c. Other one-time expenditures
 - d. Major County Capital Projects as identified in the County Capital Improvements Plan, adopted by the Board of Supervisors